

THE RIVIERA ESTATES ASSOCIATION

LOS ANGELES, CALIFORNIA

CONDITIONS, COVENANTS AND CHARGES

ARTICLES OF INCORPORATION

BY-LAWS

November 2001

(Rev. February 2004)

Correspondence may be addressed to:

The Riviera Estates Association

P.O. Box 1585

Pacific Palisades, CA 90272-1585

310-454-4913 (phone)

310-454-2918 (fax)

reahoa@gmail.com

THE RIVIERA ESTATES ASSOCIATION

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1.

AMENDED DECLARATION

CONDITIONS, COVENANTS AND CHARGES AFFECTING

THE REAL PROPERTY KNOWN AS THE RIVIERA

which is situated in the City and County of Los Angeles, in the State of California

*(As amended by votes of the members on December 4, 2000, and between
August 3, 2001 and September 30, 2001)*

This Amended Declaration of Conditions, Covenants and Charges affecting the real property known as The Riviera ("The Amended Declaration") is made this 18th day of October 1994, with reference to the following facts:

A. The Riviera Corporation was the owner of that certain tract of land in the City and County of Los Angeles, State of California, shown on a map entitled "The Riviera", which map was filed in the Office of the County Recorder of the City and County of Los Angeles, State of California, in Book 108, Pages 87 through 90, inclusive of maps (hereinafter referred to as "The Map"); and

B. The Riviera Corporation desired to sell the property shown on The Map subject to certain conditions, covenants and charges between it and the purchasers of the property, which Declaration was recorded on April 14, 1925 in Book 4861, Page 133 of Official Records in the Office of the County Recorder of the City and County of Los Angeles, State of California; and

C. The Riviera Estates Association was incorporated as a California non-profit corporation for the purpose of interpreting and enforcing the Declaration of Conditions, Covenants and Charges referred to above.

D. Pursuant to the original Declaration of Conditions, Covenants and Charges affecting the real property known as The Riviera, the property shown on the map entitled "The Riviera" has been conveyed subject to the conditions, covenants and charges set forth in the various clauses and subdivisions of the original Declaration and, said Declaration has been administered by the Riviera Estates Association, a California not for profit corporation (hereinafter referred to as the "Association").

E. The Declaration of Conditions, Covenants and Charges provides a method by which some, but not all of its provisions, may be modified, and then only by one hundred (100%) percent of the owners. By virtue of Section 1356 of the California Civil Code, the Declaration may be amended by a majority of the required votes and the amendments may be made effective upon the order of the Superior Court approving the amendment as adopted by the required majority vote. The Riviera Estates Association has obtained the written consent of a majority of its members and has obtained an Order by the Superior Court declaring this Amended Declaration effective.

F. The purpose of this Amended Declaration is to modify certain existing provisions and add additional provisions in compliance with current practice regarding management documents for planned unit developments and in accordance with the applicable law.

G. The Riviera shall be considered a "planned development" within the meaning of Section 1351(k) of the California Civil Code, subject to the provisions of the Davis-Stirling Common Interest Development Act (Title 6, Part 4, Division 2 of the Civil Code)

2.

CLAUSE NO. 1 DURATION OF CONDITIONS

1.1 All of the conditions, covenants and charges set forth in this Declaration shall affect all of said property, are made for the direct benefit thereof, and shall run with the land and continue until ten (10) years from the effective date, after which time this Amended Declaration shall be deemed automatically extended for successive periods of ten (10) years, unless an instrument executed by not less than a majority of the voting power of the Association shall be recorded, canceling and terminating this Declaration.

CLAUSE NO. 2 DEFINITION OF TERMS 2.1 "DRIVE." The word "drive" as used in this Declaration, is defined as meaning any street, highway or other thoroughfare shown on The Map, whether designated thereon as street, avenue, boulevard, drive, road, terrace, way, lane, path or otherwise.

2.2 "DWELLING-HOUSE" and "OUTBUILDING." The words "Dwelling-house" and "outbuilding," as used in this Declaration, shall be deemed respectively to include both the main portion of such structures, and all projections therefrom, such as bay, bow, or oriel windows, exterior chimneys, covered porches or porticoes, and the like, but shall not include the eaves of such structures, nor any uncovered porch, stoop or steps the balustrades or sides of which do not extend more than three (3) feet above the level of the first floor of said building. A Residence@ has the same meaning as Adwelling house.@ AAccessory buildings,@ and Aaccessory structures@ have the same meaning as Aoutbuilding.@ Any references to Aouthouse@ shall mean Aoutbuilding.@

2.3 "MEMBER OR OWNER." The record owner, whether one or more persons or entities, of the fee simple title to any lot, including contract purchasers in possession, but excluding those having such interest merely as security for the performance of an obligation.

2.4 "REARLINES & SIDELINES": A "rearline" shall be understood to mean a boundary line which is not a street boundary line and does not extend to any street boundary line, and a "sideline" shall be understood to mean a boundary line which is not a street boundary line but which does extend to a street boundary line.

2.5 "SETBACK." The "setback" of any building, or other structure, as to any line shall be deemed to be the minimum distance between said building, or other structure, and said line. The "setback" of any building, or other structure, as to any street, shall be deemed to be the minimum distance between said building, or other structure, and the nearest boundary line of said street.

2.6 "STREETS":

2.6.1 "FRONT STREET." A "front street" shall, as to any lot other than a corner lot, be deemed the streets upon which the said lot abuts. Front Street, as to any corner lot, shall be deemed to be those streets, upon which said corner lot abuts.

2.6.2 "STREET BOUNDARY LINE. A "street boundary line" is the boundary between a lot and a street as shown on The Map.

2.6.3 No building shall be built within 20 feet of any street boundary line.

2.7 "VOTING POWER OF THE ASSOCIATION."

2.7.1 Each owner shall have one (1) vote for each lot owned, whether improved with a residence or not. The total number of votes shall be the total number of lots as recognized on the records of the Association as existing at the time of any respective vote.

2.7.2 Where a lot is owned by two or more persons, the vote of one binds the other(s) unless a non-voting owner before the vote delivers to the Association=s Secretary written instructions to the contrary.

3.

2.7.3 "MAJORITY OF VOTING POWER OF THE ASSOCIATION." A "majority of the voting power of the Association" is defined as 50% plus one (1) vote. For example, if there are 164 lots, 83 votes shall constitute a majority of voting power of the Association.

CLAUSE NO. 3 PROHIBITION OF NUISANCES

There shall never at any time be erected, permitted, maintained or carried on upon said property, or any part thereof, any saloon or place for the sale or manufacture of malt, vinous or spirituous liquors; any foundry, blacksmith shop, repair shop or manufactory of any kind; any undertaking establishment, crematory, hospital, sanitarium, asylum or institution of like or kindred nature; any cattle-yard, slaughterhouse, hog-pen, rock-crushing plant, stone, sand or gravel pit or quarry; any carpet-beating plant, dyeing or cleaning works; tannery or public laundry; nor any noxious thing, trade or business or use of the property whatsoever.

CLAUSE NO. 4 RESIDENCE CONDITIONS

No store, grocery or mercantile business of any kind shall be maintained or carried on upon said property; nor shall any of said property (except the streets, parks and open spaces intended for the general use of the owners of the property shown on The Map) be used for any purpose other than residence purposes; nor shall any building be erected or maintained upon any lot or parcel of said property except a private dwelling house not more than two (2) stories in height exclusive of finished attic, if any, and with or without basement or cellar, and outhouses hereinafter permitted. Each such dwelling house shall be designated and intended for occupation by not more than one family; flats, double houses, apartments houses, tenement houses, hotels and public boarding or lodging houses being expressly prohibited. There shall be permitted to be erected and maintained the outhouses appurtenant to said dwellings. For the purposes of this Declaration a private garage for the use of the owner or occupant of the plot upon which said garage is erected shall be deemed an outhouse; and such private garage may be incorporated in and be made a part of said private dwelling house. No outhouse of any kind shall be erected and maintained prior to the erection of said dwelling house. This clause shall not be understood to prevent the construction and maintenance by The Riviera Corporation of community garages or of structures for the conduct of its business.

This restriction shall not be construed to prevent the erection of two residences in part upon the same lot when said lot has been divided and portions thereof added to adjoining lots to make building sites conforming to the provisions contained herein. However, any such reconfiguration of lots must be approved by the Building Committee prior to requesting necessary governmental consent.

CLAUSE NO. 5 CONDITIONS AS TO FENCES

No fence or boundary wall situated anywhere upon any lot shall have a height greater than eight (8) feet above the finished graded surface of the ground upon which such fence or wall is situated. Nor shall any tight wall, or tight fence, situated within the setback area of any dwelling house as to any front street or any side street, have a height greater than six (6) feet above the finished graded surface of the ground upon which such fence or wall is situated. A "tight wall" or "tight fence" is defined as one in which there is no air or visual space between the supporting members. All boundary walls or fences as to any street shall be four (4) feet above finished grade of street. No boundary fences or walls as to a front street shall be built unless planted with hedges on street side.

Fences and walls facing a front street which are in excess of the above maximums as of October 18, 1994, may be permitted a height in excess of the maximum. However, such consent shall not be construed as a waiver of the conditions set forth herein for altered, modified or newly constructed walls or fences where the alteration, modification or construction occurs after the effective date of the amended declaration.

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CLAUSE NO. 6 BUILDING AND CONSTRUCTION

6.1 APPROVAL OF PLANS: No building, fence, wall or other structure shall be erected or maintained upon any building site, nor shall any alteration for which it is necessary to secure a building permit from the appropriate governmental entities be made in the exterior of such structures, unless complete plans and specifications therefor showing the nature, kind, shape, height, material and color scheme thereof, and site plan indicating the location of such structure or of such altered structure on the building site, and, when specifically requested, the grading plan of the building site to be built upon, shall have been submitted to, approved in writing by, and a copy of such plans and specifications, site plan (and grading plan if requested) as finally approved, deposited with The Riviera Estates Association. No alteration shall be made in the exterior color of any structure inconsistent with the color character of the structures within the immediate vicinity of The Riviera unless written approval of such alteration shall have first been obtained from The Riviera Estates Association.

6.2 BUILDING COMMITTEE

6.2.1 The Board shall appoint a Building Committee (the "Committee") to consist of at least three (3) members of the Association. The Committee may employ architects or other professionals to assist it. The Committee shall review and approve or reject all plans for projects requiring approval under this Article. The procedure for processing plans with the committee shall be established by the Board.

6.2.2 The members of the Committee shall be appointed by the Board and serve at its pleasure. The Board may remove and/or replace members at any time.

6.2.3 An owner whose plans have been rejected by the Building Committee may appeal the decision of the Building Committee to the Board by filing a written request with the Secretary of the Association. Upon receipt, the Secretary shall call a meeting of the Board within sixty (60) days of receipt to consider the appeal. The Board shall render its decision within sixty (60) days of its meeting.

6.3 The Committee's approval of any plans, drawings or specifications shall not be deemed to be or constitute a waiver by the Committee or the Association of any right to withhold approval as to any similar plan, drawing, specification or matter whenever submitted for approval. In addition, the Committee's failure or inability to act with respect to any project, the retroactive approval thereof or the failure to act on such project, shall not constitute a waiver of any right to review any subsequent building plans. Neither the Board members, the Association, its employees, the Committee, nor any member thereof shall be liable to any owner for any damage, loss or prejudice suffered or claimed for the following:

6.3.1 The approval or disapproval of plans, drawings, and specifications, whether or not defective.

6.3.2 The construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications.

6.3.3 The development or manner of development of any property within The Riviera.

6.3.4 The alteration or impairment of any view claimed by the owners of properties adjacent or neighboring to that on which a building approval certificate was issued by the Committee.

6.4 LOCATION & SIZE OF STRUCTURES:

6.4.1 HEIGHT: No building may be more than two stories, with a maximum wall height of 22' 0" from the natural unmodified grade at the front, side and rear yard setback lines set forth herein. Notwithstanding the foregoing restriction, an additional foot of wall height may be added for each 2' 0" the structure is removed from the setback up to a maximum wall height of 26' 0" from each side (i.e., 4' 0" of additional height). However, additional setback footage may not be "traded" from one side of a structure to another (i.e., moving a structure 4' 0" from one side may not be used to add 2' 0" of height to another side). Further, in no event may the maximum roof pitch exceed 6:12. The maximum Amended Declaration Conditions, Covenants and Charges, Articles of Incorporation, By-Laws, as the property known as The Riviera. Document Rev. date 9/14/04

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roof height shall not exceed 34' 0" as measured above the natural unmodified grade or the applicable building code, whichever is more restrictive.

6.4.1.1 Chimneys are allowed to extend a maximum of 2' above the defined maximum center height. No building appendages other than chimneys are allowed to extend upward above the defined maximum center height.

6.4.2 ROOFS:

6.4.2.1 Acceptable fire resistant roofing materials include: wood shingle or shake (if permitted by law), clay or concrete tile, slate, cal-shake, or fiberglass shingle-grade 280 pound or above in a color compatible with the house and neighborhood. The Committee may recommend that the Board approve other roofing material. The Board may do so if, in the Board's sole discretion, it is compatible with the neighborhood.

6.4.3 MAXIMUM SITE COVERAGE AND MAXIMUM SQUARE FOOTAGE:

6.4.3.1 No structures of any kind may cover more than 27% (or in the case of a lot with 12,500 square feet or less of buildable lot area, 30%) of the buildable lot area. The total square footage of all structures (not including the square footage attributable to basements) shall not exceed 42% (or in the case of a lot with 12,500 square feet or less of buildable lot area, 46%) of the buildable lot area. Buildable lot area shall include all yard setback areas, but shall not include those portions of the lot that have an existing slope of 2:1 or greater, to be supported by a survey by a state licensed surveyor.

6.4.4 PREFABRICATED BUILDINGS: No prefabricated and/or manufactured or "mobile" building shall be erected on any lot without the prior approval of the Committee and the Board of Directors.

6.4.5 ACCESSORY BUILDINGS AND THEIR USE: Accessory buildings are buildings or structures containing no kitchen and located upon the same building site as the main residence, the use of which is customarily incidental, appropriate and subordinate to the use of the main residence, for example: guest house, hot house, shop, garage, storage building, gazebo, utility building, etc. No accessory building shall be constructed on a lot until construction of the main residence has begun, and no accessory structure shall be used unless the principal structure on the lot is also being used. All accessory structures shall comply in all respects with the use, setback, and height requirements applicable to the residence. All structures together shall comply with the coverage and square footage limits. Accessory buildings must be architecturally compatible with the main residence.

6.5 SETBACK OF BUILDINGS:

6.5.1 Setbacks of all buildings, measured from the relative boundary line, are to be not less than the dimensions prescribed as follows:

6.5.1.1 Street: 20' 0"

6.5.1.2 Rear: 10' 0"

6.5.1.3 Sides: 10' 0"

6.5.2 An uncovered porch or stoop: 10' 0" as any street boundary line and 5' 0" as to any side boundary line.

6.5.3 Chimneys, fireplace structures or other appendages may not protrude into the setback.

6.5.4 Overhangs and eaves extending from a dwelling house that is properly built within the setback may extend into the setback up to a maximum of three (3) feet as measured from the foundation.

6.6 "GRANDFATHER" PROVISIONS:

6.6.1 Notwithstanding any other provision of this Amended Declaration, existing buildings that are in compliance with the former Declaration but do not comply with this Amended Declaration (for whatever reason), shall be "grandfathered" and shall not be required to conform to the Amended Declaration Conditions, Covenants and Charges, Articles of Incorporation, By-Laws, as the property known as The Riviera. Document Rev. date 9/14/04

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requirements of this Amended Declaration. However, except as provided below, existing buildings that are not in compliance with the existing Declaration and do not comply with this Amended Declaration shall not be "grandfathered" and may be required to conform to the requirements of this Amended Declaration.

6.6.2 Notwithstanding any other provision of this Amended Declaration, existing buildings that do not, as of the date of the adoption of this Amended Declaration, conform to the minimum square footage and/or setback requirements established herein shall be "grandfathered" and shall not be required to conform to the requirements of this Amended Declaration.

6.6.3 Further, in the event any structure "grandfathered" under this section is later destroyed or damaged, it may be restored in accordance with its original plans notwithstanding the fact that said plans do not conform to the minimum square footage and/or setback requirements established herein. However, prior to the commencement of construction, the owner shall submit the plans to the Building Committee. The Building Committee's function in this regard will be to certify that the plans are in fact the plans of the destroyed or damaged structure and that no modifications have been made thereto.

6.6.4 Any building in compliance with this Amended Declaration before an amendment under Clause No. 13 shall be grandfathered with respect to such portion of the building existing at the time of the amendment.

6.7 **CERTIFICATE OF COMPLIANCE:** A member may request a certificate from the Board certifying that the lot owned by the member and the buildings thereon are in compliance with this Amended Declaration. The certificate may be obtained by filing an application with the Building Committee together with the appropriate fee. The application shall include a plot plan showing all buildings and structures as they exist as of the date of the application. The Building Committee shall, after appropriate investigation and inspection make its recommendation to the board. The Board shall act on the Building Committee's recommendations at a regularly scheduled meeting of the Board and shall notify the member of its decision in writing. An application for a certificate under this section may only be submitted by the owner of the lot in question. The board may adopt additional rules and procedures in connection with this procedure.

6.8 **WAIVERS:**

6.8.1 If the Building Committee determines that the application of the requirements of the Amended Declaration requires the disapproval of submitted plans because of some factor beyond the control of the owner (such as lot shape, lot size, topography, geological requirements or the like), and the disapproval of the plans will deny the owner of the lot a substantial right enjoyed by other members of the Association, the Building Committee can recommend that the requirements of the Amended Declaration be waived on such terms and conditions as the Building Committee deems appropriate.

6.8.2 The Board shall act on the Building Committee's recommendation at a regularly scheduled meeting, notice of which shall be given to all members of the Association. The notice shall contain a general description of the proposed waiver and the reasons therefor. The Board may accept or reject the Building Committee's proposal or impose additional conditions or otherwise modify the proposal.

6.8.3 The recommendation of the Board shall then be submitted to the Association for final approval or disapproval. A majority of the voting power of the Association shall be required to approve or disapprove the recommendation of the Board. Said action shall be taken in writing pursuant to procedures established by the Board. The failure of a majority of the voting power of the Association to act on the matter within six months of the date on which the Board mails its solicitation for approval or disapproval of its recommendation to the members of the Association shall be deemed approval of the Board's recommendation.

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6.8.4 The Board, in making its recommendation, shall consider all relevant factors and shall solicit input from the members of the Association. Any waivers shall, to the greatest extent possible, adhere to the basic intent, purposes and specific requirements of this Amended Declaration.

6.8.5 In addition to the plan filing fee, an owner seeking a waiver under this section shall pay all of the expenses and costs involved in seeking the waiver including, but not limited to, the costs of any additional investigations or inspections required by the Building Committee or Board, and all costs incurred in connection with the solicitation of the Association. The applicant shall, concurrently with the making of the application, deposit with the Board an amount set by the board to offset these costs.

CLAUSE NO. 7 SIGNAGE

7.1 No signs of any character in excess of three (3) feet by four (4) feet shall be erected, pasted, posted or displayed upon or about any lot without the written permission of The Riviera Estates Association, except that such signs related to security, sale or lease of real property need not have prior approval; and said Riviera Estates Association shall have the right in its discretion to prohibit, or to restrict and control, the size, construction, material and location of all signs, and may summarily remove and destroy all signs not permitted or authorized by the Association.

CLAUSE NO. 8 FREE SPACES

8.1 No more than one dwelling-house shall be built upon any one building site without the written permission of The Riviera Estates Association. A building site shall be either a lot as shown on The Map, or a parcel composed of:

8.1.1 Either a portion of any lot, other than a corner lot, provided that such parcel shall have a frontage of not less than one hundred (100) feet; or

8.1.2 Portions of any two or more contiguous lots other than corner lots, provided that such parcel shall have a frontage of not less than one hundred (100) feet; or

8.1.3 Any two or more contiguous lots, or any lot or contiguous lots and a portion, or portions of, any lot or lots other than a corner lot and contiguous to said lot or lots.

8.1.4 In addition to the above requirements, any lot on which a dwelling house is to be built must contain the minimum number of square feet required by all applicable zoning and building codes.

8.2 Free spaces of not less than 10 feet from the sidelines of said lot shall be left on the building site built upon extending on both sides of every dwelling-house the full length of the dwelling-house, which free spaces shall be independent of any free spaces pertaining to or required for any other dwelling-house. No portion of any dwelling-house, except eaves, open pergolas, or uncovered porches, stoops, or steps as above defined shall encroach on these free spaces. (Added by document notarized December 20, 1954).

8.3 If, for any reason, it is uncertain which are the front, side or rear boundary lines of any building site, or the restricted areas adjoining the same, the Association, shall in all cases determine what are to be deemed such lines and restricted areas, and such determination in respect thereto shall be final. The Association may, in any case, prior to sale, determine what are to be deemed such lines and restricted areas and particularly describe them in the contracts and deeds covering the building sites as to which such determination is made by the Association.

8.4 If the width, or setback, of any building be difficult of determination by reason of its irregular shape or otherwise, or, if the extent or location of the free spaces required herein be uncertain, the Association, shall in all cases determine what is to be deemed the width and setback of such building and the extent and location of such free spaces, and such determination in respect thereto shall be final. The set

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back of any building and the location and extent of free spaces may, in any case, be determined by the Association prior to sale, and be particularly described in the contracts and deeds covering the lots or plots as to which such determination is made by the Association.

CLAUSE NO. 9 COST OF IMPROVEMENTS

9.1 No dwelling-house shall be erected upon any building site in this property which contains less than 2,500 square feet of floor space exclusive of garages, terraces or patios, and which, including a reasonable fee of architect, as well as a reasonable profit for builder, shall cost, or be of the value of, less than the sum of Three Hundred and Fifty Thousand Dollars (\$350,000.00), or such larger sum as may be specified by the Association in the contract and conveyance covering any building site to be conveyed. (Added by a document dated February 11, 1948).

9.2 The cost of any remodeling or construction to any existing dwelling-house shall be of a value of not less than One Hundred Dollars (\$100.00) per square foot (including architect's fees and contractor's profits). This sum may be increased or decreased by the Association not more than twenty percent (20%) per calendar year. The requirements of this section 9.2 shall not apply to the following:

9.2.1 Any construction or modification of a dwelling-house which does not require a building permit from the appropriate governmental authorities;

9.2.2 Electrical and/or plumbing changes that do not involve structural modifications;
and

9.2.3 Repairs, alterations and/or modifications which do not change the existing structure's overall square footage by more than five percent (5%).

CLAUSE NO. 10 RIGHTS OF WAY

10.1 Easements and rights-of-way shall be reserved on said property for the erection, construction and maintenance of:

10.1.1 Wires and conduits for the transmission of electricity for lighting, telephone and other purposes, and for the necessary attachments in connection therewith.

10.1.2 Public and private sewers, storm water drains, land drains and pipes, water, heating and gas mains or pipes, and

10.1.3 Any other method of conducting and performing any public or quasi-public utility or function beneath the surface of the ground.

10.2 Such easements and rights-of-way are located on The Map entitled "The Riviera, Unit No. 1," and, except where otherwise indicated thereon or specified in conveyance, shall be confined to the rear three (3) feet of all lots shown thereon. No dwelling-house and no outhouse shall be built upon the locations affected by said easements and rights-of-way, and said locations shall be at all times open to such public service corporations as may have made use of said easements, and to The Riviera Corporation, its successors and assigns, who shall have right of ingress and egress thereto and therefrom and the right, privilege and easement of doing whatever may be necessary in, under and upon said locations for the carrying out of any of the purposes for which said easements and rights-of-way are hereby reserved, and the Association shall have the right at any time to extinguish such easements and rights-of-way as to all or any portion of said property.

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CLAUSE NO. 11 TITLE TO STREETS

No title to land in any street is intended to be conveyed to purchasers of any property, unless expressly so stated in deeds therefor.

CLAUSE NO. 12 PROVISION FOR UPKEEP

12.1 All of the land shown on The Map entitled "The Riviera, Unit No. 1," whether owned by The Riviera Corporation, or otherwise (except streets, parks, now or hereafter opened, laid out, or established, open spaces maintained for the general use of owners of property shown on The Map, and land taken or sold for public improvements or uses), shall be subject to an annual charge, or assessment as provided herein.

12.2 Said charge or assessment shall be applied by The Riviera Estates Association toward the payment of the cost of the following "Upkeep" or "Maintenance Costs,":

12.3 Improving and maintaining gateways, fountains and other ornamental features now existing, or hereafter to be erected on that certain tract of land situated in the City and County of Los Angeles, State of California, and described and known as "The Riviera," as shown on a map or maps thereof to be recorded in the Office of the County Recorder of the County of Los Angeles, State of California.

12.4 Improving and maintaining such streets, parks and other open spaces, including all grass plots and other planted areas within the lines of said streets now existing or hereafter to be created, in or bordering upon said tract, as shall be maintained for the general use of the owners of such lots as are shown in any map of any subdivision of said tract recorded in the Office of the County Recorder of the City and County of Los Angeles and their successors in interest.

12.5 Constructing, improving and maintaining parks and parkways, tennis courts, playgrounds and a community club house (the erection of which is hereby expressly made an exception to the restriction for dwelling-houses only, as expressed in Clauses No. 4 and No. 5 of this Declaration) in said tract.

12.6 Purchasing water for irrigation and the construction and operation of a pumping plant and water system for the irrigation of the parks and grass plots, and of the other planted areas now existing or hereafter to be created within the lines of the streets shown on such map or maps or within the lines of any street bordering upon such tract.

12.7 Caring for vacant, unimproved or unkempt lots and plots shown on any such map or maps, removing grass, weeds and small eucalyptus trees therefrom, and any other things necessary or desirable in the judgment of the Association to keep the property neat and in good order, the right to remove such grass, weeds and small eucalyptus trees from any lot being hereby reserved to the Association.

12.8 Taxes and assessments, if any, which may be levied by any authority upon the streets and parks now or hereafter opened, laid out or established and other open spaces in the property shown on such map or maps, including tennis courts, community clubhouse, pumping plant and irrigation system, sewers and storm drains contained within the property shown on such map or maps, or the streets adjacent thereto, whether taxed or assessed as a part thereof or separately.

12.9 Expenses, if any, incident to the enforcement of the conditions, covenants and charges contained in this Declaration, and to the collection of the charge or assessment provided for in this clause, including the expenses incident to the examination and approval of plans and specifications, as

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provided in Clause No. 6 hereof, and to such supervision of construction as may be necessary to insure its compliance with said plans and specifications.

12.10 Office expenses incident to the conduct of the business of The Riviera Estates Association.

12.11 Sweeping and cleaning of streets, collecting and disposing of street sweepings, rubbish, garbage, and the like, and maintaining the sewer system, providing community police protection, and lighting the streets shown on The Map, or the streets bordering thereon; but only until such time as said costs are provided for by municipal authority.

12.12 ASSESSMENTS AND LIENS:

12.12.1 **ASSESSMENT POWER:** Each lot within the and the improvements thereon, except properties owned by the Association, shall be subject to general and special assessments and liens to secure their payment. The Board shall have the sole authority to fix and establish the amounts of the general assessments provided for in this Declaration and the amounts of such interest, costs and late charges for the late payment or non-payment thereof subject to the limits stated herein.

12.12.2 **GENERAL ASSESSMENTS:** The general assessment shall be calculated as follows:

12.12.3 **ANNUAL BUDGET:** At a regular or special meeting held at least three (3) months prior to the beginning of a fiscal year the Board shall adopt its budget for the ensuing fiscal year. Said budget shall include the cash requirements and reserves for future maintenance or contingencies reasonably necessary and proper for the management, operation, maintenance, care and improvement of The Riviera.

12.12.4 **APPORTIONMENT:** The general assessment shall be apportioned among all the lots based on an amount equal to the total square footage of each lot (as shown on the records of the association) multiplied by an initial amount of not more than 7.2 Mills (\$.0072) per square foot. This initial maximum mills per square foot allocation may be adjusted by the board not more frequently than annually. However, any annual increase may not exceed 10% over the previous amount without the vote or written approval of the majority voting power of the Association. The sum allocable to each lot shall be the general assessment against such lot for the ensuing calendar year.

12.12.5 **LIMIT ON INCREASED ASSESSMENTS:** The Board may not, without the vote or written approval of the majority voting power of the Association, impose a general assessment which exceeds the greater of:

12.12.5.1 A ten (10%) percent increase over the general assessment for the immediately preceding fiscal year; or

12.12.5.2 The maximum amount permitted by California law.

12.12.6 **PAYMENT:** Unless otherwise determined by the Board, all general assessments shall be collected on an annual basis, due on the 1st day of January each year.

12.12.7 **TRANSITIONAL PROVISIONS:** Notwithstanding anything to the contrary hereinabove provided, after the adoption of this Amended Declaration, the Board may revise the budget adopted under the existing Declaration and may impose assessments based upon the revised budget in accordance with the procedures and terms of the Amended Declaration, pro-rated based on the number of months remaining in the fiscal year.

12.13 **SPECIAL ASSESSMENTS:** A special assessment is an assessment to reimburse the Association for expenses incurred or to be incurred which are not ordinarily included in the annual budget. They may be levied as follows:

12.14 **PURPOSE:** The Association shall have the right to impose special assessments for, but not limited to, the following purposes:

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12.14.1 To collect sums due from owners pursuant to the Amended Declaration, By-laws, or any subsequent amendments to them.

12.14.2 To collect monetary penalties imposed by the Board.

12.14.3 To reimburse the Association for costs incurred in seeking to bring a member and that member's interest in his or her lot into compliance with provisions of this Amended Declaration and the Bylaws.

12.14.4 To collect fees charged by the Board pursuant to Section 12.15 below.

12.14.5 To collect funds necessary for emergency situations as provided in Section 12.16 below.

12.15 FEES: The board may impose the following fees for the purpose of defraying costs associated with providing the services for which the fees are imposed:

12.15.1 TRANSFER FEE: A transfer fee of Two-Hundred Dollars (\$200.00) payable by the person to whom a lot is transferred. Such transfer fee shall defray only the costs of processing the transfer as may be determined by the Board from time to time. The Board may increase this fee in its discretion, but not more than once per fiscal year.

12.15.2 PLAN FILING FEE: The initial plan filing fees in connection with the application for a building approval letter shall be \$500.00 for projects where the estimated cost of construction is \$250,000.00 or more and \$250.00 where the estimated cost of construction is less than \$250,000.00. The initial filing fee for walls, fences, pools and/or tennis courts which are built as separate projects shall be \$100 per application. The initial filing fee for any applications to modify or amend an existing application or issued building approval letter shall be \$100 per application. The Board may increase these fees in its discretion, but not more than once annually. The estimated construction cost shall be determined based on the applicant's representation.

12.15.3 CERTIFICATE OF COMPLIANCE FEE: An application fee of \$300.00 payable by the person applying for a certificate of compliance. Such application fee shall defray only the costs of processing the application and certificate as may be determined by the Board from time to time. The Board may increase this fee in its discretion, but not more than once per fiscal year.

12.16 EMERGENCY SITUATIONS: The Board may increase general assessments or levy special assessments necessary for emergency situations as that term is defined in Civil Code Section 1366(b) from time to time existing.

12.17 NOTICE OF ASSESSMENTS: Notice of the amount of any general and/or special assessments shall be mailed to each owner not less than thirty (30) days prior to the date such assessments become due and payable.

12.18 DELINQUENCY; LATE CHARGES: If an assessment or fee is not paid within ninety (90) days after it is due, it shall be delinquent and shall so continue until the assessment, together with all costs, late charges and interest as herein provided, have been fully paid or otherwise satisfied.

12.19 NOTICE OF DELINQUENCY: When any assessment or fee has become delinquent, and has remained unpaid for one year from the date due, the Association may record a notice of delinquency which shall state the amount of the delinquency and the interest, costs and late charges which have accrued thereon, a description of the lot against which the delinquency has been assessed, the name of the record or reputed owner thereof, and the name and address of the trustee authorized by the Association to enforce the lien by sale, if any. Such notice shall be signed by an officer of the Association. Upon the payment of the amounts due, or upon other satisfaction thereof, the Association shall record a further notice stating the satisfaction and release of such lien.

12.20 LIEN: Immediately upon the recording of a notice of delinquency, the amounts set forth therein (including interest, costs and late charges accrued and accruing thereon) shall be and become a

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lien upon the lot or lots described therein. The lien shall continue until all amounts due have been paid or otherwise satisfied or the lien foreclosed.

12.21 ENFORCEMENT OF LIEN; ATTORNEY'S FEES: Each lien may be enforced by sale by the Association, its attorney or other authorized person. Such sale may be conducted in accordance with the provisions of Sections 2924, 2924(b), 29248 and/or 2934(a) of the California Civil Code or in any other manner permitted by law. The Association may bid on the lot at the sale, and may hold, lease, mortgage or convey the acquired lot. The Association may bring a separate legal action to collect delinquent assessments without foreclosing on such lien.

12.22 INTEREST AND COSTS - DEFINED: Interest shall accrue on all unpaid amounts at the rate of twelve (12%) percent per annum or the maximum percentage permitted by law (whichever is less) commencing thirty (30) days after the assessment becomes due. Such interest shall be compounded on a monthly basis to the maximum extent permitted by law. The term "costs" shall include court costs, filing fees, recording fees, reasonable attorneys' fees in addition to interest and late charges. The Board may establish a late charge to defray the additional administration costs a late payment may cause, subject to the limitations as set forth in Civil Code Section 1366(d)(2) which provides that the maximum amount cannot exceed ten (10%) percent of the delinquent assessment or ten dollars (\$10.00), Whichever is greater. Late charges may be imposed at any time after any assessment or fee has become delinquent.

12.23 ASSESSMENTS AS PERSONAL OBLIGATION OF OWNER: Each assessment, fee or installment, (together with interest costs) shall be the personal obligation of the owner at the time it becomes due and payable. If there is more than one (1) owner, each owner shall be jointly and severally liable. This personal obligation shall not pass to an owner's successor in interest unless expressly assumed by that successor in interest. No owner may be relieved from this obligation by waiving the use or enjoyment of all or any portion of the common areas or the owner's lot, or by abandoning the lot.

CLAUSE NO. 13 MODIFICATION OF CONDITIONS

AMENDMENT: The Declaration as amended, the Bylaws and the Articles of Incorporation may be amended or terminated in whole or in part as to all or any part of The Riviera by the vote or written consent of not less than a majority of the voting power of the Association. Any amendment or termination shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the Office of the County Recorder of Los Angeles County.

CLAUSE NO. 14 VIOLATION OF CONDITIONS

14.1 Violation of any of the conditions or breach of any of the covenants herein contained, shall give to The Riviera Estates Association the right to enter upon the property upon or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and The Riviera Estates Association shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal.

14.2 The result of every act or omission, whereby any condition or covenant herein contained, is violated, in whole or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by The Riviera Estates Association. Such remedy shall be deemed cumulative and not exclusive.

14.3 All of the conditions, covenants and charges contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants or charges or any part thereof, is invalid, or for any reason becomes unenforceable, no other conditions, covenants or charges, or any part thereof, shall be thereby affected or impaired.

Amended Declaration Conditions, Covenants and Charges, Articles of Incorporation, By-Laws, as the property known as The Riviera. Document Rev. date 9/14/04

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CLAUSE NO. 15 GENERAL PROVISIONS

15.1 Any or all of the rights and powers of The Riviera Corporation herein contained may be assigned to any corporation or association which is now organized or which may be hereafter organized, and which will assume the duties of The Riviera Corporation hereunder pertaining to the particular rights and powers assigned, and upon any such corporation or association evidencing its consent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by The Riviera Corporation herein.

15.2 **INTERPRETATION; INCONSISTENCY:** The provisions of this Amended Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of The Riviera for the mutual benefit of all owners. If the provisions of this Amended Declaration conflict with any of the provisions of the Articles of Incorporation or Bylaws, the provisions of this Amended Declaration shall control.

15.3 **HEADINGS FOR CONVENIENCE ONLY:** The headings in this Amended Declaration are inserted for convenience of reference only and are not to be considered in the construction or interpretation thereof.

15.4 **ENFORCEMENT WAIVER:** The Association or any member, may enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants and reservations imposed by the Amended Declaration. Failure by the Association or by any member to do so shall not be deemed a waiver of the right to do so thereafter.

15.5 **BINDING ON SUCCESSORS:** The Amended Declaration shall be binding upon, and shall inure to the benefit of, the successors and assignees of the owners.

15.6 **NOTIFICATION OF SALE OR TRANSFER:** Concurrently with the consummation of the sale of any lot or any other transfer of title under circumstances where the transferee becomes an owner of the lot, or within thirty (30) calendar days thereafter, the transferee shall notify the Secretary of the Association in writing of such sale and the name and address of the transferee, his or her mortgagee, the transferor, the street address of the lot, the date of sale, and shall forward to the Secretary a copy of the recorded deed and/or other document evidencing said transfer of title. Before the receipt of such notification, any and all communications required or permitted to be given by the Association, or the Board, shall be deemed to be duly made and given to the transferee if given to the transferor. Mailing addresses may be changed at any time upon written notification to the Association. Notices shall be deemed received seventy-two (72) hours after mailing. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or mailgram or upon personal delivery to any occupant of a lot over the age of twelve (12) years.

15.7 **ARBITRATION:** The Board may require that any disputes arising out of or by virtue of the Amended Declaration, the Bylaws, and/or any rules promulgated pursuant to them, be resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. However, nothing in this section shall limit the Association's ability to enforce assessments, fines or liens as provided herein.

15.8 **COSTS AND ATTORNEY'S FEES:** In any action arising from rights and obligations established or affirmed under the Amended Declaration, Bylaws or Articles, the prevailing party may recover, in the discretion of the court or arbitration tribunal, a reasonable sum as and for costs (including, in the discretion of the court or tribunal, reasonable attorney's fees).

15.9 **BREACHES; EFFECT ON LIENS:** A breach of any of the provisions of the Declaration as amended will not render invalid or otherwise affect the lien of any mortgage or deed of trust.

14.

CLAUSE NO. 16 RIGHT TO ENFORCE

The provisions contained in this Declaration shall bind and inure to the benefit of and be enforceable by, The Riviera Estates Association, or by the owner or owners of any property shown on The Map, their, and each of their, legal representatives, heirs, successors and assigns; and failure by, The Riviera Estates Association, or any property owner, or their legal representatives, heirs, successors or assigns, to enforce any of such conditions, covenants or charges herein contained shall in no event be deemed a waiver of the right to do so thereafter.

[End of CC&Cs]

[Signature pages of original recorded documents omitted]

**ARTICLES OF INCORPORATION
of
THE RIVIERA ESTATES ASSOCIATION**

Know All Men By These Presents:

That we, the undersigned, all of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a corporation under Title 22, Part IV, Divisions 1st of the Civil Code of the State of California.

And We Do Hereby Certify:

First. That the name of said corporation shall be The Riviera Estates Association.

Second. That the purpose for which the said corporation is formed are:

(a) To provide for the lighting, improving and maintaining of the gateways, fountains and other ornamental features now existing, or hereafter to be erected, on that certain tract of land situate in the City and County of Los Angeles, State of California, and described in that certain contract executed by Santa Monica Mountain Park Company to Alphonso E. Bell corporation, dated November 21, 1923, recorded December 31, 1923, in Book 2816, Page 314, of Official Records in the office of the County Recorder of the City and County of Los Angeles; to provide for the lighting, improving and maintaining of such streets, parks and other open spaces, including all grass plots and other planted areas within the lines of such streets, now existing or hereafter to be created in or bordering upon said tract, as shall be maintained for the general use of the owners, and their successors in interest, of such lots as are shown on any map of any subdivision of said tract which is now on file or which shall hereafter be filed in the office of the County Recorder of the City and County of Los Angeles; to construct, improve and maintain parks and parkways, tennis courts, and playgrounds in said tract; to purchase water for irrigation and to construct and operate a pumping plant and water system for the irrigation of the parks, grass plots and other planted areas now existing or hereafter to be created within the lines of the streets shown on such map or maps or bordering upon said tract; to care for all such vacant and unimproved lots and plots now existing or which shall hereafter exist in said tract, as shall be shown on any such map or any subdivision thereof, and to take any action with reference to such vacant and unimproved lots and plots as may be necessary and desirable, in the opinion of the Board of Directors of this corporation, to keep the said vacant and unimproved lots and plots neat and in good order; to pay all taxes and assessments which may be levied by any authority upon the streets and parks now or hereafter opened, laid out or established in said tract, and on such other open spaces therein, as shall be maintained for the general use of the owners of such lots as are shown on any such map of any subdivision of said tract, and their successors in interest, and also on ornamental features, tennis courts, pumping plant and irrigation system, sewers and storm drains established on said tract or the streets adjacent thereto, whether taxed or assessed as a part thereof or separately; to enforce the restrictions, conditions, covenants, charge and agreements at any time created for the benefit of such lots as are shown on any such map of any subdivision of said tract, or to which such lots may at any time be subject, and to pay the expenses in connection therewith; to approve plans for dwellings or other structures to be erected on such lots, and to pay the expenses incident to the examination and approval thereof and to such supervision of construction as may, in the opinion of the Board of Directors hereof, be necessary; to provide for the sweeping and cleaning of streets, the collection and disposition of street sweepings, garbage and the like, and the maintenance of the sewer system and community police protection in any such subdivision of said tract; and to do and perform all things necessary for the general welfare of the owners of all such lots as are shown on any map of any subdivision of said tract.

(b) To levy and collect from the owners of lots in any such subdivision of said tract, or their successors in interest, an annual tax, not to exceed five mills per square foot, on such lots owned by them within said tract, for the purpose of raising a fund out of which to meet the expenses incurred and to be incurred in carrying out the purposes of this corporation, and to take all lawful means for the enforcement of such collection.

(c) To do and perform any and all other acts which may be either necessary for, or proper or incidental to, the exercise of any of the foregoing powers.

Third. That the place where the principal business of said corporation is transacted is the City and County of Los Angeles, State of California.

Fourth. That the term for which the said corporation is to exist is fifty (50) years from and after the date of incorporation.

Amended Declaration Conditions, Covenants and Charges, Articles of Incorporation, By-Laws, as the property known as The Riviera. Document Rev. date 9/14/04

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Fifth. That the number of directors of the said corporation shall be five (5) and that the names and residences of the directors selected for the first year and until their successors shall have been elected, and shall have accepted office, as follows, to-wit:

Names	Residences
JOHN A. VAUGHN	Los Angeles, Calif.
HENRY N. VAUGHN	Los Angeles, Calif.
PAUL E. FERGUSSON	Los Angeles, Calif.
O.L. HAUSCHILD	Los Angeles, Calif.
E.B. GIFFIN	Los Angeles, Calif.

Sixth. That the voting power and the property rights and interests of each member of the corporation shall be unequal; that for the purpose of determining the voting power and the property rights and interests of each member of the corporation, a building site shall be taken to be either a lot shown on any such map or any subdivision of said tract, or any re-subdivision of any such lot or lots, permitted by the restrictions applicable thereto and thereby allowed to be used as the site for a dwelling house; that the members of this corporation shall be stockholders of The Riviera Corporation and all others who hold legal title to any such building site, or who, while holding a contract for the purchase of any such building site from The Riviera Corporation, shall reside upon the building site described in such contract; that such holding of legal title or such residence shall be the sole qualification for membership in the corporation and certificates of membership shall be issued accordingly, which certificate shall lapse when such qualifications cease, that each member of the corporation who holds legal title to more than one such building site shall have as many votes upon all matters that come before this corporation as there are such building sites to which he holds the legal title and that each other member shall have one vote and that each member of this corporation shall have such an interest in all the property of this corporation as is represented by the ratio of the number of votes to which such member is entitled to the total number of lots shown on all filed and recorded maps of any subdivisions of said tract; provided, however, that such interest is and shall be appurtenant to the building sites within the said tract to which such member holds legal title.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the 30th day of March, 1925.

JOHN A VAUGHN,
HENRY N. VAUGHN,
PAUL E. FERGUSSON,
O.L. HAUSCHILD,
E.B. GIFFIN

The foregoing Articles were filed with the Secretary of State of California on April 7, 1925, and a copy thereof was filed with the Clerk of Los Angeles County on April 14, 1925.

Pursuant to a deed recorded in book 4887 at page 208 of Official Records there is a limitation on the right to drill or operate any oil well, or to excavate for stone, gravel, or earth, or place a cemetery upon the property. There are also easement for various utilities placed upon the property.

INFORMATION TO MEMBERS

The map of "The Riviera" is recorded in Book 108, Pages 87 to 90, of Map Records in the office of the recorder of Los Angeles County, California.

All the rights and powers of The Riviera Corporation mentioned in the Declaration were assigned by it to The Riviera Estates Association, as provided for in Clause No. 16 of said Declaration, by instrument dated February 8, 1937, and recorded on February 9, 1937, in Book 14728, page 179, Official Records of Los Angeles County, California.

BY-LAWS OF THE RIVIERA ESTATES ASSOCIATION
as Amended on December 4, 1995 and December 4, 2000

ARTICLE No. 1

Membership and Dues

A building site for the purpose of these by-laws shall be taken to be either a lot as shown on any map which is now on file or which shall hereafter be filed in the office of the County Recorder of the City and County of Los Angeles of any subdivision of that certain tract of land described in that certain deed executed by Santa Monica Mountain Park Company, to Alphonso E. Bell Corporation, dated November 21, 1923, and recorded December 31, 1923, in Book 2816, Page 314, Official Records, in the office of the said County Recorder, or any re-subdivision or combination of any such lot or lots, permitted by the restrictions applicable thereto and thereby allowed to be used as a site for a dwelling-house. The members of this corporation shall be the said The Riviera Corporation and all others who hold of record legal title to any such building site or who while holding a contract for the purchase of any such building site from The Riviera Corporation shall reside upon the building site described in such contract. Such holding of legal title or such residence shall be the sole qualification for membership in the corporation. Contract-holders shall establish their right to membership to the satisfaction of the Secretary of this corporation provided however that membership in the corporation shall be appurtenant to the building sites within said tract to which such member holds legal title.

Membership in the corporation shall lapse and cease upon the transfer of record of the legal title of the member's building site, or, if the member holds the legal title to more than one such building site, then, upon the transfer of record of the legal title to all of his building sites, or, if the member does not hold the legal title to any building site, then, upon such member ceasing to be the holder of a contract for the purchase of any such building site from The Riviera Corporation, or, upon his ceasing to reside upon the building site described in such contract. A member holding the legal title of record to more than one building site may transfer membership with each building site transferred and retain membership for each Building site not transferred. When a building site is owned of record by one or more than one persons, the membership for such building site and the vote of one owner binds the other(s) unless a non-voting owner before the vote delivers to the corporations Secretary written instructions to the contrary.

No membership fee shall be charged nor shall members be required to pay at any time any amount to carry on the business of the corporation, except to pay annually the maintenance charge, or assessment which is or may be made a lien on the respective properties of the members, as set forth in Clause No. 12 of the Declaration of The Riviera Corporation, dated November 15, 1921, and recorded in the office of the County Recorder of the County of Los Angeles, State of California, in Book 4861 Page 133, Official Records, or any amendments thereof, or as set forth in any other Declaration) of The Riviera Corporation applicable to said tract of land on file or hereafter filed in the office of the said County Recorder

ARTICLE No. 2

Property Rights and Interest

Each member of the corporation shall have such a property interest in the corporation as is represented by the ratio of the number of votes to which each member is entitled to the total number of lots shown on all filed and recorded maps of any subdivisions of said tract; provided, however, that such interest is and shall be appurtenant to the building sites within said tract to which such member holds legal title of record

ARTICLE No. 3

Corporate Powers

The Corporate Powers of this corporation shall be vested in a Board of five Directors, who shall be members of this corporation, and three shall constitute a quorum for the transaction of business.

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ARTICLE No. 4

Election of Directors

The Directors shall be elected by ballot, at the annual meeting of the members, to serve for one year and until their successors are elected. The term of their office shall begin immediately after election.

ARTICLE No. 5

Vacancies

Vacancies in the Board of Directors shall be filled by the remaining Directors when assembled as a Board, and such appointees shall hold office until the first annual meeting of the members thereafter. ARTICLE No. 6

ARTICLE No. 6

Powers of Directors

The Directors shall have power:

1st. To call special meetings of the members whenever they deem it necessary. And they shall call a meeting at any time upon the written request of the members holding of record the legal title to one-third of all said building sites.

2nd. To appoint and remove at pleasure all officers, agents and employees of the Corporation, prescribe their duties, fix their compensation and require from them security for faithful service.

3rd. To conduct, manage and control the affairs and business of the corporation and to make rules and regulations not inconsistent with the laws of the State of California or the By-Laws of the corporation, for the guidance of the officers and management of the affairs of the corporation.

4th To determine, levy and assess annually the maintenance charge or assessment mentioned in Article No. 1 hereof, and to fix the rate per square foot of such maintenance charge or assessment, not to exceed 7.2 mills (0.0072) per square foot, until adjusted by the Board of Directors which may increase the assessment annually up to 10% over the previous amount without the vote or written approval of the majority voting power of the Association.

ARTICLE No. 7

Duties of Directors

1st. To cause to be kept a complete record of all their minutes and acts and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the members when required by persons holding of record the legal title to at least one-half of the said building sites.

2nd. To supervise all officers, agents and employees and see that their duties are properly performed, and cause certificates of membership to be issued to the members of the corporation.

ARTICLE No. 8

Officers

The officers shall be a President, Vice-President, Secretary and Treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. The compensation and tenure of office of all the officers of the corporation (other than Directors) shall be fixed and determined by the Board of Directors. All officers of the corporation (other than Directors) may be appointed and elected by the Board of Directors by motion duly seconded and carried, or by resolution of the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

ARTICLE No. 9

President

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President; and, if at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties; and, if the Vice-President from any cause, shall be unable to act, they shall appoint some other member of the Board to act, in whom shall be vested for the time being all of the duties and functions of the office of President, or, in his absence, or inability to act, the Vice-President, or, in the absence or inability to act of both the President and Vice-President, the Director appointed as above provided:

1st. Shall preside over all meetings of the members and Directors, and shall have the casting vote.

2nd. Shall sign as President all certificates of membership and all contracts and other instruments of writing which have been first approved by the Board of Directors.

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3rd. Shall have such other powers as may be conferred upon him by the Board of Directors.

ARTICLE No. 10

Secretary

The Board of Directors shall elect a Secretary.

1st. It shall be the duty of the Secretary to keep a record of the proceedings of the Board of Directors and of the members.

2nd. Shall keep the corporate seal of the corporation, and the book of blank certificates of membership; fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on issuance; and he shall affix said corporate seal of all papers requiring a seal.

3rd. The Secretary shall serve all notices required either by law or the By-Laws of the corporation, and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or Vice-President of the Corporation.

4th. He shall keep proper books showing the date of issuance of each certificate of membership and the name of the person to whom issued, and show the date of, and parties to, each transfer of membership.

ARTICLE No. 11

Treasurer

The Treasurer shall receive and deposit in such bank or banks, as the Board of Directors may direct, all the funds of the corporation, subject to the check of such officers as the Board of Directors shall designate.

ARTICLE No. 12

Books and Papers

The books and such papers as may be placed on file by vote of the members or Directors shall at all times, in business hours, be subject to the inspection of the Board of Directors or of any member.

ARTICLE No. 13

Certificate of Membership

Certificates of membership shall be of such form and device as the Board of Directors may direct, and each certificate shall be signed by the President and by the Secretary, and express on its face its number, date of issuance, the number and description of the building sites for which, and the person to whom it is issued, and shall contain a statement that the property rights and interest in the corporation, evidenced by said certificate, shall be appurtenant to the building site therein described, and that the membership, represented by the certificate, shall be transferred only with a building site described in the certificate and shall pass as appurtenant thereto.

The certificate book shall contain a margin, on which shall be entered the number and date of the certificate, the number and description of building sites, and the name of the person expressed in the corresponding certificate.

ARTICLE No. 14

Transfer of Membership

Membership in the corporation shall be transferred or divided by the transfer of the legal title to all or part of the members building sites. Upon satisfactory evidence of such transfer, the membership of the transferor shall be marked canceled on the books of the corporation as to the building site transferred, without requiring a surrender or cancellation of the transferor's certificate of membership and a new certificate of membership may thereupon be issued to such transferee.

If a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory.

ARTICLE No. 15

Meetings

The annual meeting of the members shall be held in the City and County of Los Angeles on the first Monday in December of each year, and shall be called by a notice in writing mailed to each member at his last known place of residence or business, or directed to each member at Los Angeles; such notice to be deposited in the United States Post Office at Los Angeles at least ten days preceding the date of meeting, and postage thereon must be prepaid.

Special meetings of the members shall be called in like manner after five days notice.

No meeting of members shall be competent to transact business unless the record holders of the legal title to a majority of the said building sites be represented, except to adjourn from day to day or until such time as may be deemed proper.

At such annual meeting of the members, Directors for the ensuing year shall be elected by ballot, to serve for one year and until their successors are elected. If, however, for want of a quorum or other cause, a members' meeting shall not be held on the day above named, or should the members fail to complete their elections, or such other business as may be presented for their consideration, those present may adjourn from day to day until the same shall be accomplished.

Regular meetings of the Directors shall be held on a monthly basis at a time and location determined by the Directors. No notice of the regular meetings of the Board of Directors need be given.

The President, or any two of the Directors, may call special meetings of the Directors at any time and notice shall be given of such called meeting by depositing in the United States Post Office at Los Angeles, California, a written or printed notice thereof, with the postage thereon prepaid, addressed to each Director at the last address left with the Secretary, at least three days before the time of the meeting, or by serving personally such notice on each Director one day before such meeting. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

Notice specified in the article for members need be given only to members appearing as such on the books of the corporation.

ARTICLE No. 16

Voting

At all corporate meetings each member, either in person or by proxy, shall be entitled to as many votes as there are building sites to which such member holds the legal title of record, provided that each member of the corporation shall have at least one vote. All proxies shall be in writing and filed with the Secretary.

ARTICLE No. 17

Amendments

The By-Laws may be repealed or amended or new By-Laws may be adopted at any meeting of the members by a vote representing a majority of the said building sites, or by the Board of Directors when thereunto authorized at any meeting of the members, by a vote representing a majority of the said building sites, or by the written assent of the record holders of the legal title to a majority of the said building sites.

ARTICLE No. 18

Seal

The corporation shall have a common Seal, consisting of a circle having conveniently arranged on same the words "The Riviera Estates Association, California, Incorporated April, 1925."